Tobacco Company

May 22, 1996

JAMES V. MAGUIRE Senior Vice President - Sales

Winston-Salem, NC 27102 910-741-7924

Fax 910-741-4684

MEMORANDUM TO:

AREA VICE PRESIDENTS

SUBJECT: DORAL ACROSS AMERICA - MAY PROMOTION

Several weeks ago during our staff meeting, we discussed the execution of our May DORAL B2G1F/Sweepstakes display materials and agreed that we were "behind the eight ball" and needed to put a plan together to fix it as soon as possible. As of today, May 22, 1996, we are still at an unacceptable execution level, especially for a May promotion.

As you are well aware, this is DORAL'S only major integrated promotion in 1996. There is a concern that the impact of the promotion will be hurt since the bulk of the advertising (billboards and print) hit in late April and May, and the retail execution is not happening at the same time.

Therefore, we have committed to put it in high gear and have the promotion executed at retail by June 30. To measure our execution, we need to manually track/answer two questions:

- Number of package outlets penetrated with a DORAL display that incorporated the sweepstakes/continuity offer. Include in your numbers not only brand-specific displays provided. but also promotion platforms (i.e., System III) where sweepstakes advertising and entry forms were placed.
- Based on total stores covered in Question #1, calculate the percent CiV penetrated in package outlets.

The above data should be based on your implementation of the DORAL Across America Promotion for the two-month period of May and June.

Your response to these questions should be broken down by Region and an Area total. Your Region/Area summaries should be sent to Denny Borngardner prior to July 12, 1996.

If you have any questions or concerns, please call me.

Jim

Jim Maguire

JVM/kp

cc/attachment: College Covie

Denny Bomgardner Don Fitzgerald Kathryn Noxon John Ellegate Stovo Qualkinbush